

Virginia Energy Plan Advisory Group Meeting Minutes
October 18, 2006, 2:00 p.m.
Virginia Military Institute

Secretary Patrick Gottschalk, Secretary of Commerce and Trade opened the meeting.

Introductions

Mr. Gottschalk performed meeting introductions and reviewed schedule of upcoming meetings. This was followed by attendees introducing themselves followed by a review of the agenda.

Background

Steve Walz from DMME reviewed the statute calling for the Energy Plan, the eight primary plan objectives, and plan outline.

Energy Resources and Consumption Presentations

Dick Spellman from GDS Associates Inc. provided a presentation and general overview of Virginia's Energy Resources and Consumption.

Click [here](#) for presentation

Mary Howell from the Virginia Propane Gas Association provided a presentation and general overview on the versatility of propane and it's importance in Virginia's energy future.

Click [here](#) for presentation

Advisory Group Open Discussion

Mr. Gottschalk introduced discussion questions on energy resources and consumption issues.

Discussion Question 1

We saw in the presentations today that Virginia is a net importer of energy. We also see the gap between what we are producing today and our growth curve if we continue on the same path as recent years. We saw in our lunch presentation the potential for growing demand in our increasingly electronic economy. While conservation and efficiency will be an important component of how we close this gap (to be addressed at our next meeting), to the extent conservation will not close this gap, how can we increase our supplies of energy to close the gap between how much energy we produce and how much we consume? What are your thoughts on how this might be accomplished?

Question 1 Discussion

Annette Osso, Virginia Sustainable Building Network

Is it business as usual with nothing getting done or are we going to aggressively address energy efficiency and conservation across the state? Many states have incentive programs. Will Virginia have one?

Steve Walz, DMME

As we look at energy paths forward, we're looking for ideas from this group. Other states fund incentive programs through a fee on consumer electric bills.

Dan Holmes, Piedmont Environmental Council

Need a further breakdown of information presented here today. SCC prohibits from considering any issue outside the purview or that falls under another state agency.

Mike Edwards, Virginia Association of Counties

We need to understand what percentage of our energy is generated in Virginia.

Irene Leech, Virginia Citizens Consumer Council

Are we looking at things in a competitive market or in a regulated market? It's incompatible to be providing 20 years of assurance in a situation where what they want is a competitive market.

Diana Dascalu, Chesapeake Climate Action Network

One issue is Virginia's relatively low cost electricity. We are opening the state to a lot of price risk and as we move forward should consider pollution reduction and carbon mandates.

Dan Carson, Appalachian Power

We need to look at this industry-by-industry. We are planning to meet the needs of customers in Virginia and West Virginia and don't need to look at where facilities are located but at meeting customer needs. There is no clear path to cost recovery for a generating facility.

Susan Rubin, ODEC

Some legislative action could be taken to reduce risk of uncertainty for construction in a competitive or regulated market.

Thomas Hudson, Virginia Coal Association

We have few primary energy sources and will always be a net importer.

Scott McGeary, Washington Gas

Recommendation about research and development should be included.

Mike Ward, Virginia Petroleum Council

Current structure of Virginia government does not allow those charged with regulating and protecting the environment to be concerned with energy matters.

Cliona Robb, Christian & Barton Law Firm

My understanding is that the State Corporation Commission gets input on impacts of generation plants.

Augie Wallmeyer, Virginia Independent Power Producers, Inc.

Current law prohibits the Corporation from considering environmental matters unless they are matters not considered by DEQ. There was a time when the Commission had some environmental oversight but the law was changed.

Michael Town, Sierra Club

There are some assumptions that we can make across all different energy sectors. Should recommend some transmission or infrastructure reliability upgrades. It's in our best interest to recognize that we cannot rely on in-state sources of energy.

Mark Tubbs, Columbia Gas of Virginia

Federal moratoria on offshore drilling prevent drilling until it is lifted.

Discussion Question 2

We have looked at our consumption of energy by fuel source and understand that our ability to produce energy from indigenous sources in Virginia is limited. What are your thoughts on the ability of new technology to convert our indigenous resources into useful energy – such as coal to liquids, biofuels, wind, solar, uranium to electricity, other? How much can we realistically rely on these sources of energy over the 10-year window of our Energy Plan?

Question 2 Discussion

Billy Weitzenfeld, Virginia Association of Energy Conservation Professionals

Increase residential opportunities to produce renewable energy. Take advantage of the net metering system.

Michael Town:

In order to move forward, there needs to be a framework in place to be proactive and promote responsible energy resources.

Linda McMinimy, Virginia Transit Association

What has been the experience in other cities or nations that have put a priority on developing these resources?

Augie Wallmeyer:

Virginia has the ability to double or triple its energy output from indigenous sources, particularly by using biomass.

Andrew Smith, Virginia Farm Bureau Federation

Virginia will always be an importer as far as making biofuels such as ethanol. In the future, cellulistics will help level the playing field.

Mitch King, MDV Solar Energy Industries Association

Smart meters and the right electricity rate structure, can give the right price signals to consumers so that there is a pay back if they modify their behavior and reduce their electricity usage.

Mike Edwards:

We have to figure out a way to resolve land use and siting issues in the regulatory process.

Cliona Robb:

Waste energy should be one of the alternatives to get from new technology.

Discussion Question 3

One common method to ensure adequate supplies of energy is to provide for a diversity of supply sources. Is Virginia's energy supply diverse enough? If not, what do we need to do to expand the diversity of our supply? This may require separate assessment of electric supply, transportation fuels, industrial process fuels and other uses.

Question 3 Discussion

Aldie Warnock, Alleghany Power

We have to find a way to put our issues to the side and figure out how we can work together on what makes the most sense for our consumers and children.

Billy Weitzenfeld:

Conservation that requires no cost, little education and a little push could prevent future blackouts.

Augie Wallmeyer:

The power of price stimulates conservation.

Irene Leech:

Install meters so consumers can monitor their consumption and regulate their usage.

Michael Town:

Conservation is a difficult word to talk about but it has to be discussed. We are going to have to do a lot of different things that need to be creative. Solutions instead of rhetoric are what is needed.

Dan Carson:

Time of use metering was tried in the past as a pilot program and determined it was not cost beneficial to the consumer.

Dan Holmes:

When speaking of transmission lines in Virginia and congested areas in the United States it is recommended that the technical advisory committee have a better understanding of what the issues are and of the alternatives that have been considered to solve them.

Herbert Wheary,

Virginia has a good balance of field diversity but part of keeping that balance is expanding certain sectors that have proven to be reliable and can be done in an environmental acceptable way.

Discussion Question 4

Transportation consumes more energy than for residential, commercial and industrial uses. As the Energy Plan is developed, what recommendations should be made regarding fuel for transportation?

Question 4 Discussion

Linda McMinimy:

More walk-able and bike-able environments are needed, as is easily accessible water transportation.

Mary Howell, Virginia Propane Gas Association

As a policy goal, we could look at ways to encourage and make it easier for people who have multi-fueled vehicles.

Billy Weitzenfeld:

Increase the number of stations in Virginia that supply bio-diesel fuel. Smarter decision making and behavioral changes that can be taken and improved on.

Mike O'Connor, Virginia Petroleum Convenience and Grocery Association

Virginia's gas tax at seventeen and a half cents raises about \$850 million dollars. Virginia collects the twelfth most in gas tax.

Donald Ratliff, Alpha Natural Resources

Some states have modified their gasoline or liquid fuels tax to make them more equivalent. Is this something that Virginia should look at as a way to help promote alternative fuels like E85?

Dan Holmes:

Governor Kaine's goals for the remainder of his term should be incorporated into the Energy Plan discussions.

Mike Edwards:

Raising the gas tax in Virginia would be unproductive.

Discussion Question 5

Many of the issues related to energy also relate to the economy and job creation. If we do not have affordable energy, job creation will be adversely impacted. How should these indirect costs and benefits of energy be incorporated into the Energy Plan?

Question 5 Discussion

Amy Hewett, Virginia Chamber of Commerce

Virginia was recently ranked as the number one state for business. It is important that we have policies that maintain Virginia's great business climate because that is what is driving Virginia's economy.

Augie Wallmeyer:

Discuss the pros and cons of each question. For example, if more money is put into mass transit do you save money on highways?

Cliona Robb:

It's not just a question of attracting new business but a question as to what prices will do to existing businesses.

Scott McGeary:

Tax incentives and grants need to be offered

Annette Osso:

DEQ looks at improving efficiency in the cross wide spectrum that makes industries more efficient and profitable such as the case with Stanley Furniture. Operating more efficiently gives more return on the investment and makes stockholders happy.

Discussion Question 6

There is ongoing debate over opening Virginia's offshore waters to natural gas and oil exploration and production and wind development. The federal Mines Mineral Management Service has proposed an oil and gas lease sale, if the presidential and legislative moratoria are lifted, in 2011. There also may be opportunities for new ocean energy technologies using ocean thermal differences and wave technologies. Virginia completed a study of offshore energy development in Senate Bill 2005. In light of these past actions, what new actions should Virginia take regarding its offshore natural gas and oil, wind and other ocean energy resources?

Question 6 Discussion

Dan Holmes:

More attention needs to focus on offshore siting issues

Mike Ward:

Exploration needs to be considered to see what the energy resources might be and how Virginia will benefit

Billy Weitzenfeld:

Ocean energy technology is a fascinating potential source of energy. I hope the emphasis on everything that is being done will be towards clean and renewable energy, which ocean technology represents

Discussion Question 7

Virginia has substantial energy research and development talent at our universities and businesses. What should be done to maximize the research and development of new energy sources at Virginia universities and businesses?

Question 7 Discussion

Billy Weitzenfeld:

There is unbelievable expertise and resources in the academic world that needs to be brought into the dialog.

Rebecca Lamb, National Energy Education Development Project

Ensuring that you have people who are interested in studying math and science are very important for both business and universities that will be performing future research.

Irene Leech:

There is a need for more interdisciplinary research. We need to find a way to support math and science related ones.

Amy Hewett:

The General Assembly created a joint committee on math, science and technology avocation and is studying the needs in those areas.

Public Session 6:00 p.m.

Steve Walz performed introductions and provided a brief background on the Energy Plan process.

Rick Webb:

Spoke on the need for site-specific environmental assessment anywhere a wind project is proposed. The site scoring process should be done as a request for proposal rather than issuing it as a no bid contract.

Tammy Belinsky:

The public and General Assembly should have full access to the complete JMU Virginia Wind Energy Collaborative report for review and verification.

Randy Richardson:

Spoke on the need for public officials to learn more about wind energy. Wind energy is not the cure for our energy ills.

Carol Bandy:

Most green energies are more expensive to the average consumer than general electric rates. Wind energy is not market driven. The market is what drives demand. Deadlines and percentages should be eliminated from the energy plan.

Lucille Miller:

Careful consideration should be taken before turning Highland County into an industrial facility. What impacts are there to our bat species from on shore wind projects?

Catherine Gilliam:

There is a need for enforceable, meaningful and productive ways to locate wind facilities in parts of Virginia that avoid the destruction and damage to our natural, scenic, cultural and historic resources.

Mary Ann Capp:

I would like to advocate for equal access to electricity for low-income consumers. Also tax credits are made available for all sectors, residential, commercial and industrial to allow citizens to make their own energy choices.

Frances Davenport:

Spoke of the benefits to reiterate conservation ideas of promoting and educating the public to conserve.

Don Wells:

Spoke of global warming and how it affects policies regarding coal fired power plants, more generally fossil fuel fired power plants that do not have sequestration.

Meeting adjourned.